

Idaho Public Utilities Commission

Case No. PAC-E-12-14, Order No. 32760

March 11, 2013

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PUC approves changes to irrigation load control program

Rocky Mountain Power will no longer be directly paying Idaho irrigators to participate in a volunteer load reduction program. Instead, the eastern Idaho utility will contract with a third-party vendor to manage the program.

Through last irrigation season, Rocky Mountain Power has been paying or crediting irrigators who volunteer to shift their irrigation to hours when demand on the utility's generation system is not high and power costs are lower. Irrigators receive financial payment or credits for participating.

The Idaho Public Utilities Commission has approved Rocky Mountain's application to contract with a third-party aggregator, EnerNoc, Inc., to administer the program.

Rocky Mountain began seeking bids last year from vendors who may be able to operate the program in a more cost-efficient manner. Under the former program, Rocky Mountain paid all participating irrigators even if it does not achieve the load reduction anticipated. In 2012, for example, the company paid for 244 MW of curtailment, but received only 139 MW, or 57 percent of participating load. The cost of the program is passed on to ratepayers.

After reviewing five bid proposals, the company selected EnerNoc's "pay-for-performance" model which pays irrigators for only actual load reduction. EnerNoc, headquartered in Boston with a Boise research center on Discovery Way, manages more than 25 pay-for-performance contracts throughout the country.

Parties to the case, including the Idaho Irrigation Pumpers Association, which represents irrigators, did not oppose the change. Monsanto Company in Soda Springs, which also participates in a demand-reduction program as Rocky Mountain's largest customer, did not oppose the application, but stated the EnerNoc contract contains terms it would not have accepted had something similar been proposed for Monsanto. Monsanto said it would not oppose the application so long as its approval does not set a precedent or adversely impact the future pricing or terms of Monsanto's load reduction agreement with Rocky Mountain Power.

Commission staff said the agreement was in the public interest because 1) the costs are fixed, which provides certainty for all parties, 2) administrative and equipment expenses are internalized by EnerNoc and 3) customers will pay for only the energy delivered rather than contracted energy.

Under the contract, EnerNoc assumes all responsibility for installing, operating and maintaining irrigation load control devices as well as recruiting customers, providing customer service and issuing irrigation credits. EnerNoc will be paid based on the average load available for curtailment, minus performance adjustments. EnerNoc will receive incentives to optimize load curtailment during historical peak times. As with the current program, participating irrigators will be notified the day before curtailment and will be able to opt-out before dispatch.

The EnerNoc program replaces two programs currently operated by Rocky Mountain Power. The larger of the two programs (Tariff Schedule 72A) allows the company to remotely turn off pumps of irrigators who volunteer to participate. During the 2012 irrigation season, there were 12 such “control events” where the company realized a load reduction of 139 megawatts. Under another older program (Tariff Schedule 72), load control events are scheduled ahead of time. At its height in 2005, Schedule 72 had 489 customers with a peak reduction capability of 54 megawatts. Beginning in 2007, many of the customers under Schedule 72 switched to the newer remote dispatch program.

A full text of the commission’s order, along with other documents related to this case, is available on the commission’s Web site at www.puc.idaho.gov. Click on “File Room” and then on “Electric Cases” and scroll down to Case No. PAC-E-12-14.

Interested parties may petition the commission for reconsideration by no later than March 29. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.

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